

RESOLUTION 15-19

RESOLUTION OF THE CALIFORNIA HOUSING FINANCE AGENCY AUTHORIZING THE CESSATION OF THE CALIFORNIA HOMEBUYERS DOWNPAYMENT ASSISTANCE PROGRAM LOAN PRODUCT AND THE CREATION OF A BLENDED SOURCE DOWNPAYMENT ASSISTANCE PRODUCT

WHEREAS, the Agency's single family division has exhausted the original allocation of bond funds to purchase California Homebuyer's Downpayment Assistance Program ("**CHDAP**") loans and is rapidly expending the remaining recycled funds;

WHEREAS, the Agency cannot receive loan level data on CHDAP loans associated with first loans which are not purchased by the Agency ("**CHDAP standalones**") and is therefore unable to analyze the use and effectiveness of the down payment assistance on CHDAP standalones;

WHEREAS, with the clarity of hindsight, the Agency can see the considerable benefits of securing and analyzing loan data that is only available to CalHFA when downpayment assistance loans are used in conjunction with CalHFA first loan products;

WHEREAS, the new downpayment assistance product will allow CalHFA to improve tracking and processing, and evaluate the efficacy and success of our loan products, in addition to early intervention opportunities on distressed loans;

WHEREAS, the Agency is streamlining its product offerings and processes at origination in response to federal regulators' increasing disclosure requirements on loan originators and increased liability of creditors;

WHEREAS to reduce Agency risk in consideration of action by federal lawmakers;

WHEREAS, a new downpayment assistance product, which will utilize a blending of recycled funding sources and be coupled with CalHFA first mortgage products and will increase the amount of downpayment assistance from 3% to 5%, will be advantageous to California's home buyers;

WHEREAS, a new, single blended source downpayment assistance product will streamline the Agency's product offerings, simplifying processes for the Agency's lending partners and improve compliance review;

NOW THEREFORE, BE IT RESOLVED by the Board of Directors (the "**Board**") of the California Housing Finance Agency, in consideration of the above, directs as follows:

Section 1. Discontinuation of CHDAP. CalHFA shall discontinue the CHDAP product as soon as is practicable.

Section 2. Development and Introduction of New Blended-Source Downpayment Assistance Product. The Executive Director or her designee, is directed to take action necessary or appropriate and consistent with prudent lending standards, market necessity, and state and federal regulations to implement changes to the new down payment assistance (DPA) product's. This includes entering into, for and in the name and on behalf of the Agency, all necessary documents.

I hereby certify that this is a true and correct copy of Resolution 15-19 adopted at a duly constituted meeting of the Board of the Agency held on September 10, 2015, at Burbank, California.

ATTEST: _____

Secretary 